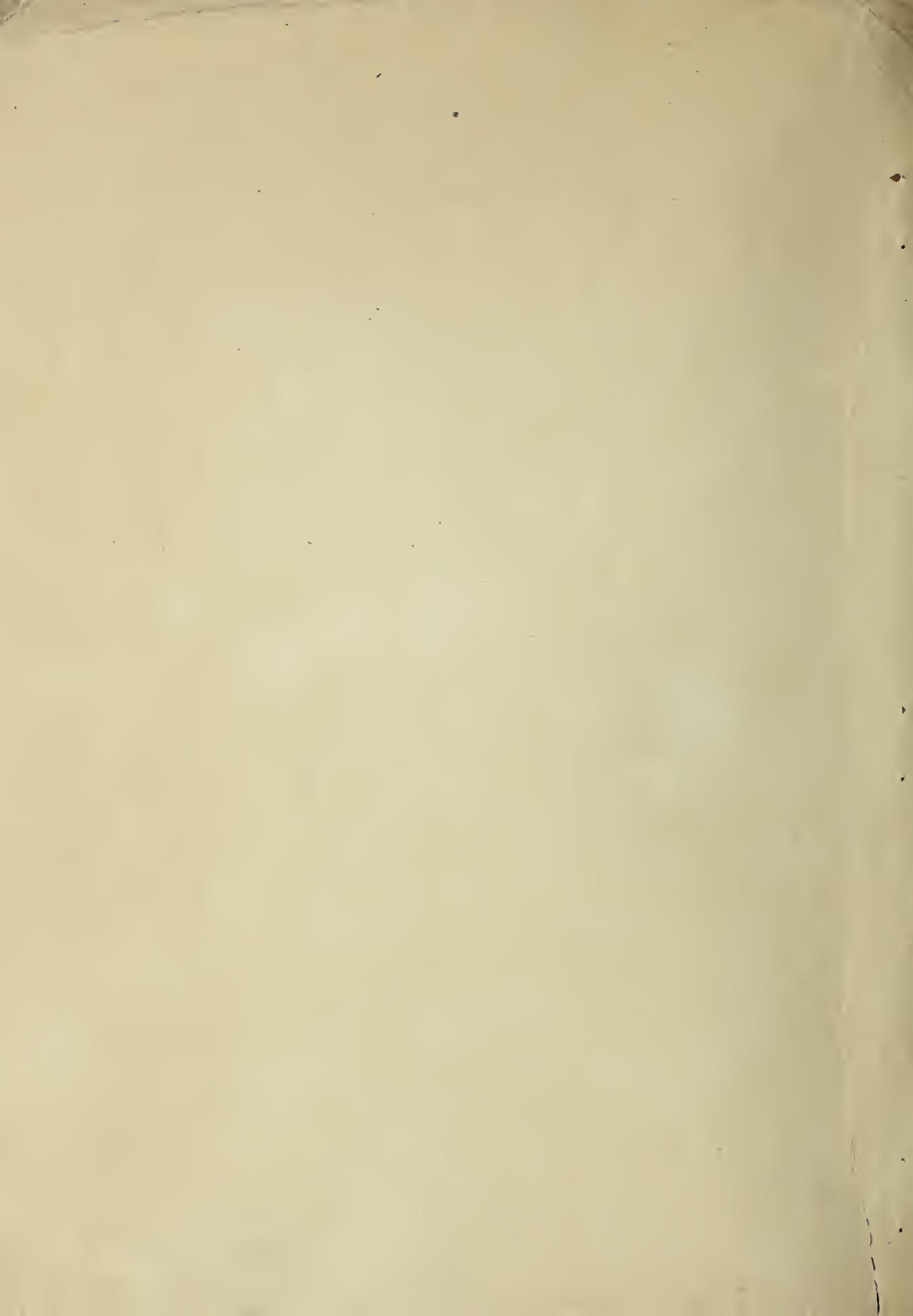


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A PETITION  
TO THE  
CONGRESS  
OF THE  
UNITED STATES  
OF AMERICA

TO ENCOURAGE  
AN AMERICAN  
CAMPHOR INDUSTRY  
AS AGAINST  
THE CONTINUANCE  
OF A  
JAPANESE MONOPOLY



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M 758

SYNTHETIC CAMPHOR  
IS SECOND ONLY TO  
SYNTHETIC INDIGO  
IN  
IMPORTANCE  
AS A CHEMICAL PRODUCT  
FOR  
INDUSTRIAL USES



Power House Completed



View of partially erected buildings in East St. Louis, Ill., intended for the manufacture of Synthetic Camphor which buildings will be completed if request in this petition be granted

# To The Congress of The United States:

The undersigned respectfully petitions you to

**"Amend Paragraph 48, on Page 21 in H. R. 7456 by striking out period [.] at the end of line 6 and insert in lieu thereof a semi-colon[;] and the following words, '*Provided*, that there shall be imposed and paid upon all importations of camphor, natural and synthetic, a duty of 25% ad valorem when it is made to appear to the satisfaction of the President of the United States that manufacturers in the United States are producing two million [2,000,000] pounds synthetic camphor per year. The President shall make known this fact by proclamation, and thereafter said rate of duty shall go into effect.'**"

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In support of the foregoing, the following is submitted:

## **PRESENT STATUS OF CAMPHOR**

There has been imported into the United States an average of 4,750,000 lbs. of camphor per year, during the period of the past eleven years.

Approximately 90% of the camphor imported is used in industries in the United States in the manufacture of celluloid products, artificial and patent leathers, etc., the balance in the preparation of medicinal compounds and other purposes.

## A JAPANESE MONOPOLY CONTROLS SUPPLY

Practically the entire world's supply of natural camphor is controlled by a Japanese government-controlled monopoly, organized in 1899, which has complete control of the natural camphor industry, regulating production, distribution and consumption.

### OPERATION OF MONOPOLY

The operation of the monopoly is described on page 67 of the "Tariff Information Survey" of the United States Tariff Commission as follows:

"Under the terms of the camphor monopoly, the Japanese Government licenses producers of camphor and camphor oil, *who are required to keep strict account of their manufactures and to sell all camphor produced to the government at a fixed price*. The refining of crude camphor is the *exclusive right of the State*. *The government reserves the right to restrict production*. The camphor is now sold by the monopoly direct to a single agency—Samuel Samuels, of London, with branches in New York, Hamburg and probably elsewhere. Conflicting statements are found as to the extent to which the Japanese government fixes the selling price, but its ability to do so is *evidently chiefly limited by the competition of synthetic camphor and the exactions which the celluloid industry will bear*, as the production of natural camphor outside Japanese control has not normally reached large proportions."\*

A very significant portion of the foregoing quotation is the reference to *the selling price being limited only by the competition of synthetic camphor and the limit of burden which the celluloid industry will bear*.

## MARKET PRICES

The following table shows market prices for camphor in the United States during the past twelve years, reflecting the manipulations of the Japanese monopoly.

	High per lb.	Low per lb.
1921	\$1.00	\$0.75
1920	3.30	1.00
1919	3.30	2.50
1918	1.34 $\frac{1}{2}$	.76 $\frac{1}{2}$
1917	.89 $\frac{1}{2}$	.74 $\frac{1}{2}$
1916	.86 $\frac{1}{2}$	.42
1915	.44 $\frac{1}{2}$	.41
1914	.59 $\frac{1}{2}$	.41
1913	.44	.42
1912	.44	.44
1911	.49 $\frac{1}{2}$	.42
1910	.45	.42

NOTE:—Owing to the American camphor refiners' inability to secure supplies of crude camphor beyond that necessary to meet their government contracts, they withdrew all quotations in October 1918, when the influenza epidemic forced the rise in Japanese refined camphor to \$4.00 per pound. (From *Oil, Paint & Drug Reporter*, March 28, 1922.)

## EFFECT OF JAPANESE MONOPOLY ON AMERICAN CAMPHOR REFINERS

The following is quoted from "Commerce Reports" of the U. S. Department of Commerce of August 15, 1920:

"The Japanese authorities have decided to discontinue the allotment of crude camphor to camphor refineries in the United States and other countries foreign to Japan. This step has been taken as a measure of relief to the Japanese camphor refiners who are in serious straits owing to

the depression in the celluloid industry. Japanese camphor refiners are concerned with nothing but camphor, while, it is understood, American camphor refiners are concerned with that product only as one of a number of others with which they can keep their plants busy. It is, therefore, believed that American camphor refiners will not be especially inconvenienced."

## EFFECT OF JAPANESE MONOPOLY ON CELLULOID INDUSTRY

In discussing the Japanese monopoly, Mr. Nathan M. Clark, vice-president of the Celluloid Company of America, testifying before the Ways and Means Committee, January 6, 1921 (Tariff Information, 1921, part 1, page 145), said:

"The competition from *Japan threatens to annihilate us.* Europe and America are in a similar position as regards camphor, which enters largely into our commodity, but Japan rules the world as to this item. *We are at her mercy when we buy camphor.* She tells us how little or how much we may have, the price we must pay, and has *systematically reduced our supply.*"\*

## MONOPOLY ARBITRARILY ALLOCATES QUANTITY FOR AMERICAN CELLULOID INDUSTRY

In addition to fixing world prices, the Japanese monopoly arbitrarily allocates such quantities of camphor—not exceeding three months' supply—to the various large consumers in countries other than Japan. These quantities are fixed by the monopoly regardless of the buyers' views, which policy in turn determines the output of celluloid permitted to compete with the Japanese product. The al-

lotment for the second quarter of 1922 has just been made, and we reproduce here the announcement published in the *Chemical Color and Oil Daily*, April 10, 1922, which clearly illustrates the methods pursued by the monopoly.

500 AND 10,000 BUSNERS DAILY

**CAMPHOR ALLOTMENT BY JAPAN**

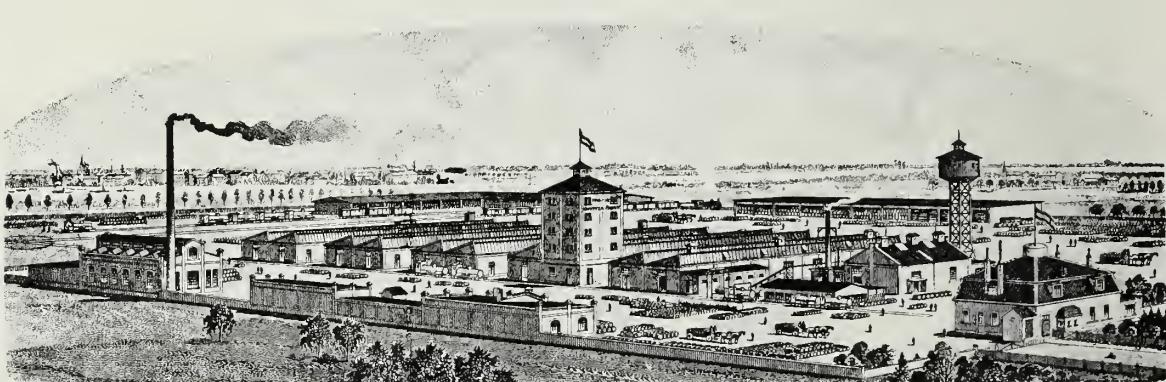
The Japanese Monopoly Bureau has offered a price for the second quarter's allotment of BB crude to the celluloid manufacturers of this country. The price is the same as that which prevailed during the first quarter of the year, 163 yen per cwt. of 112 pounds. At current rates of exchange this figures to approximately 69c per pound for this grade of crude. The proposition is the same as that of last quarter, namely, that the celluloid manufacturers state what quantity they will take at that price. Allotment will probably be made for the full quantity.

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The Japanese monopoly, in its allocations, undoubtedly discriminates in favor of the Japanese celluloid manufacturers in the matters of quantity and possibly price.



Works Chemische Fabrik auf Actien—at Berlin, where Synthetic Camphor  
is produced



Rheinische Kampfer Fabrik Dusseldorf, Germany, devoted *exclusively* to the  
manufacture of Synthetic Camphor

## **SYNTHETIC CAMPHOR EQUAL TO NATURAL PRODUCT**

Synthetic camphor is accepted as equal to the natural product for industrial purposes (Tariff Information Survey, page 70). In fact it is of more uniform quality and purer than the natural product.

### **RAW MATERIAL PLENTIFUL IN U. S. A.**

The raw material for the manufacture of synthetic camphor is turpentine. Turpentine is obtained from the pine trees in the Southern States and is therefore available here in practically unlimited quantities.

### **OPPORTUNITY FOR INCREASING EMPLOYMENT OF AMERICAN LABOR**

It naturally follows that the establishment of synthetic camphor manufacture on a large scale in the United States will create a new use **in a large way** for turpentine produced in the United States, and in consequence give additional employment to labor in the South for the production of the turpentine, and likewise to labor in the camphor factories to be established in the United States.

### **PRACTICABILITY OF MANUFACTURE**

The practicability of the successful manufacture of synthetic camphor is demonstrated by the fact that synthetic camphor is now manufactured in Germany by two large chemical companies, one in Dusseldorf and the other in Berlin. (See illustrations of these two factories on opposite page.) *No natural camphor has been imported into Germany since July, 1920, for use either by celluloid manufacturers or for other purposes.*

## **INVESTMENT**

An investment in excess of \$600,000.00 has already been made by your petitioner in the purchase of the process for manufacturing synthetic camphor, in ground and partially completed buildings, railroad sidings, etc. (as illustrated in forepart of this petition), and which project contemplates an investment of approximately \$1,000,000.00 additional to complete the plant and commence manufacture.

## **ADVANTAGES TO BE DERIVED FROM AMERICAN MANUFACTURE**

The establishment of the manufacture of synthetic camphor in the United States, assures the consumers in the United States of a steady and ample supply of camphor at a uniform and reasonable price, which will be varied only to the extent of such change as may occur in the market price for turpentine, and with the assurance, that if the proviso hereinbefore petitioned for, be enacted into law, the exorbitant prices exacted by the Japanese for camphor in recent years will never again be repeated.

## **SYNTHETIC CAMPHOR AN IMPORTANT CHEMICAL PRODUCT**

In importance, as a chemical product, synthetic camphor ranks second only to synthetic indigo, which in recent years has almost entirely displaced the use of natural indigo, universally used in former years.

The manufacture of synthetic indigo was developed in Germany, and its manufacture in this country was made possible only during the war when hostilities cut off the supply of the foreign product. The entire American market is now supplied with American-made synthetic indigo, and some quantities are exported.

Your petitioner prays for a duty of only 25% on synthetic camphor which is very modest in comparison with rates provided for indigo, and further, the duty on camphor will not become operative until it is actually manufactured in the United States in such quantity as will approximately supply 40% of the country's requirements.

## CONCLUSION

The granting of petitioner's request for a duty of 25% is advisable because

1. It overcomes the objections voiced by camphor importers and celluloid manufacturers, that protection is not needed where a domestic industry does not exist.
2. The industry will furnish employment for hundreds of American workmen.
3. It encourages investment of American capital in an American manufacturing industry.
4. It will increase the consumption of an American natural product — turpentine.
5. It assures America independence from foreign monopoly of an important article needed by our industries.
6. It removes the possibility of the price again being raised to exorbitant figures.
7. It assures American consumers of a steady supply and a reasonable price at all times for camphor.

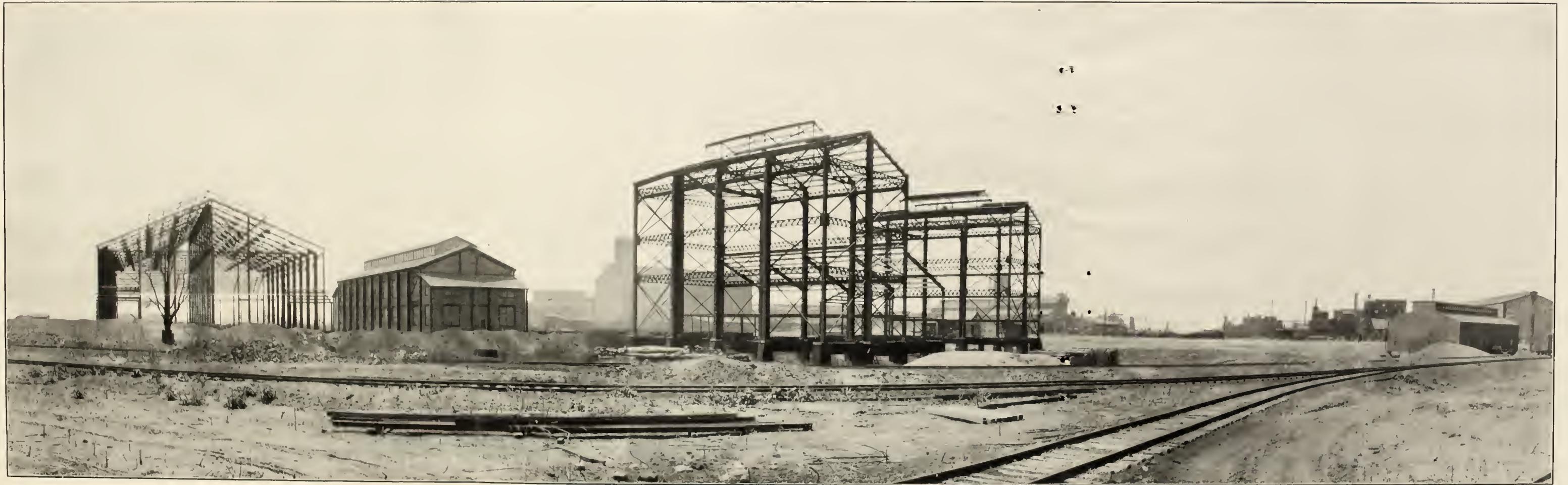
Respectfully submitted,

MONSANTO CHEMICAL WORKS

St. Louis, April 20, 1922

AMERICA SHOULD BE  
INDEPENDENT  
*of the*  
JAPANESE CAMPHOR MONOPOLY





A view of the partially completed camphor plant in East St. Louis, Illinois, showing in the distance the power house, the electrolytic chlorine and caustic soda plant, erected to supply raw materials needed in the manufacture of camphor.



